

APPRAISAL REPORT of

"THE PROPOSED GOSPEL MUSIC HALL OF FAME"
500 N. Kingshighway
St. Louis, Missouri 63108

PREPARED FOR

Dr. Gurpreet Padda
Owner
5203 Chippewa St
Suite 301
St. Louis, Missouri 63109

AS OF

April 14, 2022



GREATER ST. LOUIS APPRAISAL

*743 Leland Ave, Manager's Office
University City, MO 63130
(314)669-5049 / (314)932-2099 Fax*

May 5, 2022

Dr. Gurpreet Padda
Owner
5203 Chippewa St
Suite 301
St. Louis, Missouri 63109

Re: "The Proposed Gospel Music Hall of Fame"
500 N. Kingshighway et Al.
St. Louis, Missouri 63108

Dear Dr. Padda:

At your request and authorization, Greater St. Louis Appraisal has prepared an appraisal of the market value of the referenced property.

The subject property is a 1.22 acre site that is improved with a 39,751 gross square foot good quality, two and part three story historic church. The subject was built in 1907 per the listing flyer. The subject includes 27,007 square feet of parking lot, considered a very desirable and unique feature for a historic church, and for an urban redevelopment property.

The subject is listed on the National Register of Historic Places, and is part of a collection of historic religious buildings on North Kingshighway within the Central West End neighborhood, known as the "Four Corners". The subject was previously approved for \$1,375,000 in historic tax credits, equivalent to \$34.59 per square foot of gross building area in tax credits.

The subject is located within the Central West End neighborhood, a top tier neighborhood within the region with high median household incomes and a top retail and night life destination within the region. The property immediately south of the subject is a former warehouse to be redeveloped as a 120-unit apartment property, which will increase foot traffic and occupancy adjacent to the subject.

The subject currently is under contract for \$2,955,000 to Pythian Partners 1, LLC (the Gospel Music Hall of Fame), who proposes to redevelop the site as a museum and school of gospel music.

The owner previously planned a Cathedral Square Micro-Brewery development for the subject, and was approved for a zoning variance for use as a bar/restaurant and micro-brewery. The current purchaser under contract has proposed to develop the subject as the future "Gospel Music Hall of Fame", a school and museum for gospel music. Subsequent to the 2012 purchase of the subject, the current owner applied for and was approved for \$1,375,000 in historic tax credits. The eligibility for tax credits and historic architecture on this development site is considered a significant positive attribute.

The owner purchased the subject property and its holding LLC for \$1,275,000 in March of 2012, with the understanding he would have to continue paying reported back taxes owed by the LLC. Those payments in subsequent years for taxes owed by the LLC reportedly totaled \$735,945. Dr. Padda reportedly additionally spent \$105,000 in curing some of the property's deferred maintenance. The owner's total investment in the property as of today's date is reported as \$2,111,945.

The purpose of the appraisal is to estimate the market value of the subject "as if unimpaired by fire damage" as of April 14, 2022, the date of our inspection. The intended use of the appraisal is for use in insurance claim proceedings. The intended user is Dr. Gurpreet Padda and/or assigns. The interest appraised is the fee simple estate. The date to which the value estimate shall apply is April 14, 2022, the date of our inspection.

Extraordinary Assumptions and Hypothetical Conditions

This report is subject to the following especially relevant extraordinary assumptions and hypothetical conditions (for a full list of all extraordinary assumptions and hypothetical conditions please see pages 5 and 6 of this report).

1. The **hypothetical condition** that the subject is free of any fire damage to the bell tower as of the date of value is employed in the analysis.
2. The **extraordinary assumption** that the City of St. Louis will approve a zoning variance is employed in the analysis. The City of St. Louis previously approved a zoning variance for microbrewery and bar/restaurant use at the time of the 2012 purchase. Given their prior approval, the evidence available to the appraiser makes a future zoning variance approval *reasonably probable*.

MARKET VALUE CONCLUSION			
<i>Appraisal Premise</i>	<i>Interest Appraised</i>	<i>Date of Value</i>	<i>Value Conclusion</i>
"As if Unimpaired"	fee simple	April 14, 2022	\$2,925,000

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter.

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. This appraisal report has been prepared in accordance with our interpretation of your institutions guidelines, Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), and the Uniform Standards of Professional Appraisal Practice (USPAP), including the Competency provision. It also conforms

Dr. Gurpreet Padda
May 5, 2022
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to the Code of Professional Ethics of the Appraisal Institute and the Appraisal and Evaluation Guidelines promulgated in 2010.

The intended use and user of our report are specifically identified in our report as agreed upon in our engagement letter for services. As a condition of being granted the status of an intended user, any intended user who has not entered into a written agreement with Greater St. Louis Appraisal in connection with its use of our report agrees to be bound by the terms and conditions of the agreement between Greater St. Louis Appraisal, and the client who ordered the report. No other use or user of this report is permitted by any other party for any other purpose. Dissemination of this report to any party by any non-intended users does not extend reliance to any such party, and Greater St. Louis Appraisal will not be responsible for any unauthorized use of or reliance upon the report, its conclusions or contents (or any portion thereof).

Respectfully submitted,

GREATER ST. LOUIS APPRAISAL



Robert C. Voyles, MAI
Principal Appraiser